

2011 Legislative Priorities of the University of North Carolina

The University of North Carolina's top priority for this session is avoiding any permanent damage to the University while sustaining the ability to develop the highly educated workforce essential to the state's economic recovery and long-term economic competitiveness. Accomplishing these goals requires maintaining affordable access through low tuition and an adequate supply of need-based financial aid, minimizing cuts that jeopardize academic quality, and securing flexibility needed to manage scarce resources more efficiently.

Minimize Cuts; Maximize Flexibility

Over the past four years, the University has absorbed more than **\$620 million** in General Fund appropriations cuts and mandatory reversions. To help protect the Academic Core, more than 90% of permanent cuts within the University's control have been made in Administration, including the elimination of more than 900 positions. Further reductions in administration would jeopardize financial controls, compliance activities, building operations, and campus safety.

- Additional permanent cuts would damage the Academic Core. Cuts at the 10% level would result in:
 - Loss of an additional 2,000 positions (including at least 1,000 faculty positions)
 - Elimination of an additional 6,400 course sections
 - Reductions in tutoring and academic advising programs
 - Reduced operating hours for campus libraries and computer labs
 - Lower student retention and graduation rates

We ask that budget cuts be held to the lowest possible level and that the University be afforded the flexibility to determine where necessary reductions are made in order to minimize harm to our academic mission. We also stand ready to work with the General Assembly to implement regulatory reform, reduce the cost of operations, and streamline business practices.

Enrollment Funding

We are requesting **\$45.8 million** (recurring) for enrollment growth. These funds will help secure the economic future of our state by providing North Carolina residents affordable access to quality higher education.

- UNC enrollment growth is driven not just by recent high school graduates, but also by better retention of currently enrolled students, more community college transfers, and growing numbers of older students returning to college to gain new skills for the job market of tomorrow. Projected growth at the graduate level is concentrated in economically important STEM disciplines and health professions.
- Education pays in higher earnings and lower unemployment rates, even in tough economic times. The unemployment rate is 17.5% among NC workers with less than a high school education, 12% among high school graduates, 9.4% among workers with some college, and 4.2% among workers with a four-year college degree. On average, highly educated workers earn more and pay more taxes.
- By 2018, an estimated 32% of all NC job openings (new jobs and vacancies to be filled) will require a four-year degree or higher. Currently only 26% of North Carolina's workforce holds such credentials.

Need-Based Financial Aid

We are requesting **\$71.2 million** (recurring) for Need-Based Financial Aid. These funds would restore \$34.8 million to continue a non-recurring appropriation for financial aid in FY 2010-11 and provide \$36.3 million in additional funds to meet increasing student need.

- Student financial need is up across the campuses. Increased need, coupled with the loss of the EARN program (\$4,000 per eligible student), has put additional strain on NC students and their families.
- More than half of our in-state undergraduates depend on some form of need-based financial aid. More than one-third qualify for federal Pell Grants, reserved for the nation's neediest students. Campus financial aid offices are unable to meet demonstrated student need with current resources.
- Roughly 57% of in-state seniors graduate with student loan debt. Their average indebtedness is \$18,413.